

AMENDED IN ASSEMBLY MAY 29, 2013
AMENDED IN ASSEMBLY MAY 24, 2013
AMENDED IN ASSEMBLY APRIL 23, 2013
AMENDED IN ASSEMBLY APRIL 9, 2013
AMENDED IN ASSEMBLY MARCH 21, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1295

Introduced by Assembly Member Roger Hernández

February 22, 2013

An act to add and repeal Chapter 7.6 (commencing with Section 2831) of Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1295, as amended, Roger Hernández. Public utilities: renewable energy: community renewables option.

Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing boards. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable

generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

The California Renewables Portfolio Standard Program, referred to as the RPS program, requires a retail seller of electricity, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods, sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 20% of retail sales for the period January 1, 2011, to December 31, 2013, inclusive, 25% of retail sales by December 31, 2016, and 33% of retail sales by December 31, 2020, and in all subsequent years. The RPS program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified.

This bill would require an electrical corporation to provide a community renewables option allowing a subscribing customer's bill be adjusted to reflect the customer's subscription in the output of a community renewables facility. The bill would require the commission to authorize the tariff for community renewables option by July 1, 2014. The bill would, on and after January 1, 2016, require the commission to evaluate the demand for the community renewables option. If the commission finds that the community renewables option should be discontinued, the bill would make the above provisions inoperative. The bill would authorize a local publicly owned utility to offer a comparable community renewables option. This bill would repeal the provision of the community renewables option on January 1, 2020.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 7.6 (commencing with Section 2831) is
2 added to Part 2 of Division 1 of the Public Utilities Code, to read:

3

4 CHAPTER 7.6. COMMUNITY RENEWABLES FACILITY

5

6 2831. As used in this article, the following terms mean the
7 following:

1 (a) “Community renewables facility” means an electric
2 generation facility that has elected to participate in the community
3 renewables option.

4 (b) “Community renewables option” means the right of an
5 electric generation facility to participate in a program that allows
6 a customer to subscribe to the output of an electric generation
7 facility.

8 (c) “Electric generation facility” means an electric generation
9 facility located within the service territory of, and developed to
10 sell electricity to, an electrical corporation that meets all of the
11 following criteria:

12 (1) Has an effective capacity of not more than three megawatts.

13 (2) Is interconnected and operates in parallel with the electrical
14 transmission and distribution grid.

15 (3) Is strategically located and interconnected to the electrical
16 transmission and distribution grid in a manner that optimizes the
17 deliverability of electricity generated at the facility to load centers.

18 (4) Is an eligible renewable energy resource, as defined in
19 Section 399.12.

20 (5) Meets all the requirements established pursuant to Section
21 399.20 that are applicable to electric generation facilities.

22 (d) “Feed-in tariff payment” means the payment that is due to
23 the electric generation facility in accordance with the tariff or
24 standard contract established pursuant to Section 399.20 as
25 described in a monthly total payment.

26 (e) “Subscribing customer” means a customer of an electrical
27 corporation who has subscribed to the output of a community
28 renewables facility.

29 (f) “Subscription amount” means the percentage of kilowatthours
30 delivered to an electrical corporation from a community renewables
31 facility to which a subscribing customer has subscribed.

32 (g) “Unsubscribed output” means the percentage of
33 kilowatthours delivered to an electrical corporation from a
34 community renewables facility to which no subscribing customer
35 has subscribed.

36 2831.5. A community renewables facility is not an electrical
37 corporation, as defined in Section 218 or an electric service
38 provider, as defined in Section 218.3.

1 2832. (a) An electrical corporation shall provide a community
2 renewables option that allows a subscribing customer's bill to be
3 adjusted to reflect the customer's subscription.

4 (b) In approving the tariff, the commission shall ensure all of
5 the following:

6 (1) Customers that do not participate in the community
7 renewables option are indifferent to whether other customers
8 participate in the community renewables option, and no costs are
9 shifted from subscribing customers to nonsubscribing customers.

10 (2) An electric generation facility that has executed a standard
11 contract with an electrical corporation and has begun deliveries
12 pursuant to the contract may, in its sole discretion, elect to become
13 a community renewables facility.

14 (3) (A) The community renewables facility is solely responsible
15 for any and all arrangements, agreements, or disputes with its
16 subscribing customers concerning the community renewables
17 option. The community renewables facility shall communicate, in
18 writing, to the electrical corporation, in a timely manner, to be
19 specified in the electrical corporation's tariff and contract, but not
20 less than once per year, information necessary for the electrical
21 corporation to administer the community renewables option that
22 includes, but is not limited to, all of the following:

23 (i) The name of each subscribing customer.

24 (ii) The service address and service account number of each
25 subscribing customer to which a bill adjustment should be applied.

26 (iii) Each subscribing customer's subscription amount.

27 (iv) The unsubscribed output, if any, for which payment should
28 be made directly to the community renewables facility.

29 (B) The electrical corporation shall not be a party to an
30 arrangement or agreement between the community renewables
31 facility and the subscribing customer.

32 (4) The electrical corporation shall pay the community
33 renewables facility for any unsubscribed output by multiplying
34 the unsubscribed output by the feed-in tariff payment.

35 (5) (A) Customer subscriptions shall not be credited towards
36 the electrical corporation's procurement requirements pursuant to
37 Section 399.15 but shall continue to count toward the electrical
38 corporation's proportionate share of the statewide cap specified
39 in Section 399.20.

1 (B) In calculating its procurement requirements pursuant to
2 Section 399.15, an electrical corporation may exclude from the
3 total retail sales the kilowatthours subscribed to by participating
4 customers pursuant to this section.

5 (6) Any unsubscribed output from a community renewables
6 ~~generators~~ generator shall continue to be credited towards the
7 electrical corporation's procurement requirements pursuant to
8 Section 399.15 and shall count toward the electrical corporation's
9 proportionate share of the statewide cap specified in Section
10 399.20.

11 (c) No later than July 1, 2014, the commission shall authorize
12 the tariff for the community renewables option consistent with this
13 section, including setting a reasonable cap on total megawatts that
14 can be subscribed to under a community renewables program
15 pursuant to this section.

16 (d) Notwithstanding paragraphs (1) and (5) of subdivision (c)
17 of Section 2831, the commission may allow the renewable
18 programs adopted by the commission in commission decisions
19 10-12-048 and 09-06-049 to include a community renewables
20 option if the community renewables option meets the requirements
21 of subdivision (c). All purchases pursuant to this subdivision shall
22 count toward the electrical corporation's proportional share of the
23 program's cap.

24 (e) An electrical corporation shall recover from the community
25 renewables facility any costs of implementing the community
26 renewables option reasonably attributable to the community
27 facility. Any implementation costs not reasonably attributable to
28 the community renewables facility shall be recovered from the
29 ratepayers, as determined by the commission.

30 (f) If a customer participates in direct transactions pursuant to
31 paragraph (1) of subdivision (b) of Section 365 or Section 365.1,
32 the electrical corporation that provides distribution service for the
33 customer is not obligated to allow that customer to participate in
34 a community renewables option.

35 (g) (1) On and after January 1, 2016, the commission shall
36 evaluate the demand for the community renewables option and
37 consider whether to continue offering a community renewables
38 option.

39 (2) If the commission determines that the community renewables
40 option should terminate, the commission shall issue an order to

1 that effect and deliver a copy of the order to the Secretary of State.
2 The section shall become inoperative on the effective date of the
3 order.

4 2832.5. A local publicly owned electric utility required to
5 comply with Section 399.32 may offer a ~~comparable~~ community
6 renewables option for an electric generation facility as defined in
7 Section 399.32.

8 2833. This chapter shall remain in effect only until January 1,
9 2020, and as of that date is repealed, unless a later enacted statute,
10 that is enacted before January 1, 2020, deletes or extends that date.